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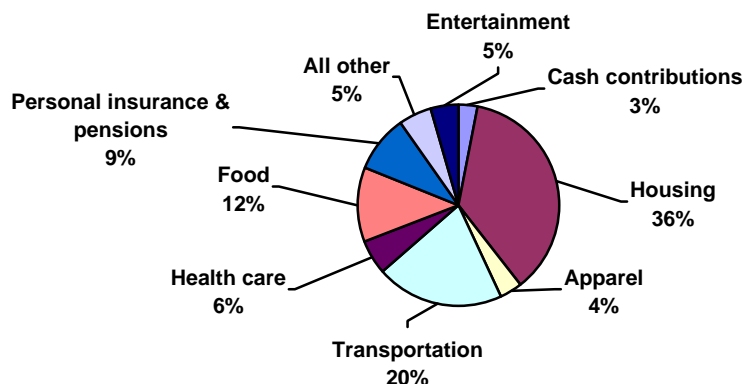
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CONSUMER SPENDING PATTERNS IN MILWAUKEE -RACINE, WISCONSIN, 1998-99

Consumer units in the Milwaukee-Racine, Wisconsin metropolitan area spent an average of \$36,862 per year in 1998-99, 3.3 percent more than in 1996-97, according to the Bureau of Labor Statistics of the U.S. Department of Labor. Milwaukee area households spent more for housing and transportation than did households nationwide. However, spending on food, apparel, and entertainment was below the U.S. average.

Expenditures for housing, transportation, and food accounted for just over two-thirds of household spending (67.2 percent) in Milwaukee, slightly more than the share spent by the average U.S. household (65.1 percent). (See table 1.) The percentage of a typical Milwaukee budget spent on these three items was higher than in the Midwestern metropolitan areas of Chicago and Minneapolis, but similar to the share spent by a household in Detroit. (See technical note for definitions of terms and geographical areas referenced in this release. For convenience, the term's consumer unit and household are used interchangeably.)

Milwaukee Expenditure Shares
Consumer Expenditure Survey 1998-99



This report contains annual data averaged over a two-year period - 1998 and 1999. The data are from the Consumer Expenditure Survey, which is collected on an ongoing basis by the U.S. Bureau of the Census for the Bureau of Labor Statistics (BLS). The Consumer Expenditure Survey is the only national survey that provides both complete data on household expenditures and the demographic characteristics of those households. Survey data cannot be used to make cost of living comparisons between areas. Expenditures vary among areas not only because of economic factors such as the price of goods and services and family income, but also because of differences such as the age of the population, climate, consumer tastes, family size, etc. The survey provides average expenditures for consumer units. An individual consumer unit may spend more or less than the average, depending on its particular characteristics.

On average, spending on housing accounted for 35.7 percent of total household expenditures in the Milwaukee area. Elsewhere in the Midwest, Chicago consumer units spent about the same share of their budget (36.0 percent) on housing costs as did households in Milwaukee, while households in Detroit and Minneapolis spent less--34.2 and 30.9 percent, respectively. Nationally, households spent 32.7 percent on housing in the 1998-99 period. The majority (62.7 percent) of housing expenditures in Milwaukee went for shelter, which includes mortgage interest, property taxes, repairs, and rent among other items. The second largest housing expense was fuels, utilities and public services, which accounted for 17.3 percent of housing costs. This was below the average spent by both Chicago (19.3 percent) and Detroit (20.0 percent) residents, but above that spent by households in Minneapolis (15.3 percent). On average, utility costs accounted for 20.2 percent of a typical household's expenses in the U.S. (See table A.) The homeownership rate in Milwaukee, at 63 percent, was slightly below the national average of 65 percent.

Table A. Percent distribution of housing expenditures for the U.S. and selected areas, 1998-99

Item	U.S. Average	Milwaukee	Chicago	Detroit	Minneapolis- St. Paul
Total	100.0	100.0	100.0	100.0	100.0
Shelter	57.8	62.7	61.2	58.4	58.8
Utilities, fuels & services	20.2	17.3	19.3	20.0	15.3
Household operations	5.1	4.5	3.8	5.2	6.7
Housekeeping supplies	4.1	3.8	4.1	4.3	4.4
Household furnishings	12.7	11.6	11.6	12.1	14.8

Transportation was the second highest expenditure category in the Milwaukee area, accounting for 19.7 percent of a household's total budget, exceeding the nationwide share of 18.8 percent. Transportation costs also accounted for a larger share of a Milwaukee household's budget than it did in the other selected metropolitan areas in the Midwest--Chicago, Minneapolis, and Detroit. Of the \$7,271 annual expenditure on transportation in Milwaukee, 93.6 percent was spent buying and maintaining private vehicles. (See table 2 for detailed expenditure levels.) The average number of vehicles per household in Milwaukee was 2.0, close to the national average of 1.9 vehicles. In the other three Midwestern cities, the

average ranged from 2.6 vehicles per household in Minneapolis-St. Paul to 1.6 in Chicago. The remaining 6.4 percent of a Milwaukee household's transportation costs was spent on public transportation.

Milwaukee consumer units spent 11.8 percent of their budget on food. Among the three other areas in the Midwest, expenditure shares for food were higher in Chicago (13.3 percent) and Detroit (14.6 percent) and similar in Minneapolis-St. Paul (11.9 percent). Nationally, food expenditures accounted for 13.6 percent of a household's budget. Milwaukee households spent 56.9 percent of their food budget on food prepared at home, not much different from the national average of 57.9 percent. The remaining 43.1 percent was spent on food prepared away from home, such as restaurant meals, carry-outs, board at school, and catered affairs.

Payments for personal insurance and pensions accounted for 9.0 percent of the typical Milwaukee household's budget, close to the nationwide average of 9.4 percent. Households in Detroit spent a smaller share of total expenditures on this item, while Chicago's was not much different from that in Milwaukee, and Minneapolis-St. Paul's was higher. Social Security and pension contributions accounted for almost 90 percent of a Milwaukee consumer unit's expenses for personal insurance and pensions.

Spending on apparel and related services accounted for 3.6 percent of total expenditures in Milwaukee. This was below the 4.7 percent national average and lower than the share spent on clothing in the other three Midwest metropolitan areas.

Out-of-pocket health care expenses, including health insurance premiums, medical services, drugs (prescription and nonprescription) and medical supplies, accounted for 5.6 percent of total expenditures in Milwaukee, the highest share among the four Midwest areas. This was, however, close to the 5.3 percent share spent nationally.

Milwaukee area households spent 4.5 percent of their budgets on entertainment, similar to the expenditure share made in Chicago. Of the four selected Midwestern areas, Detroit households spent the largest portion of their budget on entertainment at 5.6 percent, while those in Minneapolis-St. Paul spent close to the national average of 5.1 percent.

Cash contributions accounted for 2.9 percent share of all expenditures in Milwaukee; only households in Detroit spent a smaller share (1.8 percent) on this component. Nationwide, households spent an average of 3.2 percent of their budget on cash contributions.

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Additional Data Available

Data tables are available for the four Census regions and for the national average. These tables may be obtained from the Bureau's automated Fax-on-Demand service. See below. Additional tables are offered under the heading "Tables" on the BLS Internet site <http://www.bls.gov/csxhome.htm>.

BLS Fax-on-Demand - Chicago (312) 353-1880	Number of pages	Document no.
Consumer Expenditures in 1999 - national news release (annual)	2	2705
Data tables containing consumer expenditures-		
By quintiles of income before taxes (Table 1)	4	2710
By income before taxes (Table 2)	4	2715
By age of reference person (Table 3)	4	2720
By size of consumer unit (Table 4)	4	2725
By composition of consumer unit (Table 5)	4	2730
By number of earners (Table 6)	4	2735
By housing tenure, race, Hispanic origin, and type of area - urban or rural (Table 7)	4	2740
By region of residence (Table 8)	4	2745
By occupation of reference person (Table 9)	4	2750
By education of reference person (Table 10)	4	2760

Technical Note

The current Consumer Expenditure Survey program began in 1980. Its principal objective is to collect information on the buying habits of American consumers. The consumer expenditure data are used in a wide variety of research by government, business, labor, and academic analysts. The data are also required for periodic revision of the Consumer Price Index (CPI). The survey consists of two components: A Diary or recordkeeping survey completed by participating consumer units for two consecutive 1-week periods which collects data on frequently purchased, smaller items, and an Interview survey in which the expenditures on larger-cost items and those that occur on a regular basis are obtained in five interviews conducted every 3 months. The data presented in this release are based on integrated data from both surveys.

Each component of the survey queries an independent sample of consumer units which is representative of the U.S. population. Over the year, about 7,500 consumer units are sampled for the Diary survey. The Interview sample is conducted on a rotating panel basis, with about 7,500 consumer units participating each quarter. The data are collected on an ongoing basis in 105 areas of the country.

The Metropolitan Statistical Areas (MSAs) covered by the Consumer Expenditure Survey represent areas designated by the U.S. Office of Management and Budget and are based on definitions in effect as of December 1992. Generally speaking, a MSA consists of one or more counties and meets specified size criteria—either it contains a city of at least 50,000 inhabitants, or it contains an urbanized area of 50,000 inhabitants, and has a population of at least 100,000 (75,000 in New England). The largest MSAs are classified as Consolidated Metropolitan Statistical Areas (CMSAs), loosely defined as metropolitan areas with a population of at least 1 million which have been divided into two or more sub-areas each having a population of at least 100,000 called Primary Metropolitan Statistical Areas (PMSAs). Due to a change in sampling frame and in area definitions, local data for the 1998-99 period are not directly comparable to data prior to 1996. The following are definitions of the areas discussed in this release:

The Milwaukee-Racine, WI Consolidated Metropolitan Statistical Area (CMSA) includes the counties of Milwaukee, Ozaukee, Racine, Washington, and Waukesha.

The Chicago-Gary-Kenosha, IL-IN-WI CMSA includes the counties of Cook, Dekalb, DuPage, Grundy, Kankakee, Kane, Kendall, Lake, McHenry, and Will in Illinois; Lake and Porter in Indiana; and Kenosha in Wisconsin.

The Detroit-Ann Arbor-Flint, MI CMSA includes the counties of Genesee, Lapeer, Lenawee, Livingston, Macomb, Monroe, Oakland, St. Clair, Washtenaw, and Wayne.

The Minneapolis-St. Paul, MN-WI Metropolitan Statistical Area (MSA) includes the counties of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright in Minnesota; and Pierce and St. Croix in Wisconsin.

Definitions

Consumer unit A single person living alone or sharing a household with others but who is financially independent; members of a household related by blood, marriage, adoption, or other legal arrangement; or two or more persons living together who share responsibility for at least 2 out of 3 major types of expenses - food, housing, and other expenses. The terms household or consumer unit are used interchangeably for convenience.

Complete income reporter In general, a consumer unit that provides values for at least one of the major sources of its income such as wages and salaries, self employment income, or Social Security income. Even complete income reporters may not have provided a full accounting of all income from all sources.

Table 1. Consumer unit characteristics and percent distribution of expenditures, U.S. average and selected metropolitan areas, Consumer Expenditure Survey, 1998-99

Item	United States Average	Milwaukee	Chicago	Detroit	Minneapolis-St. Paul
Consumer unit characteristics:					
Income before taxes ^{1/}	\$42,770	\$43,855	\$47,591	\$47,539	\$58,032
Age of reference person	47.8	49.0	48.3	47.2	47.0
Average number in consumer unit:					
Persons	2.5	2.5	2.6	2.6	2.5
Children under 18	.7	.7	.8	.8	.6
Persons 65 and over	.3	.4	.3	.3	.3
Earners	1.3	1.4	1.4	1.3	1.5
Vehicles	1.9	2.0	1.6	2.0	2.6
Percent homeowner	65	63	64	71	68
Average annual expenditures	\$36,251	\$36,862	\$38,153	\$38,097	\$48,445
Total (percent):	100.0	100.0	100.0	100.0	100.0
Food	13.6	11.8	13.3	14.6	11.9
Alcoholic beverages	.9	1.0	1.1	.9	1.0
Housing	32.7	35.7	36.0	34.2	30.9
Apparel & services	4.7	3.6	4.9	5.4	4.1
Transportation	18.8	19.7	16.3	18.8	18.3
Health Care	5.3	5.6	5.1	4.5	4.7
Entertainment	5.1	4.5	4.6	5.6	5.2
Personal care products & services	1.1	.7	1.1	1.4	1.1
Reading	.4	.5	.4	.5	.5
Education	1.7	1.3	2.5	1.0	1.6
Tobacco products & smoking supplies	.8	1.1	.7	1.1	.7
Miscellaneous	2.4	2.7	2.0	2.1	2.9
Cash contributions	3.2	2.9	3.3	1.8	3.0
Personal insurance & pensions	9.4	9.0	8.6	8.2	14.2

^{1/} Components of income and taxes are derived from "complete income reporters" only; see definitions.

Table 2. Average annual expenditures, U.S. average and selected metropolitan areas, Consumer Expenditure Survey, 1998-99

Item	United States Average	Milwaukee	Chicago	Detroit	Minneapolis-St. Paul
Average annual expenditures	\$36,251	\$36,862	\$38,153	\$38,097	\$48,445
Food	4,921	4,344	5,092	5,580	5,778
Food at home	2,848	2,473	2,802	3,126	3,050
Food away from home	2,073	1,871	2,290	2,454	2,728
Alcoholic beverages	313	356	411	346	507
Housing	11,843	13,147	13,730	13,023	14,975
Shelter	6,849	8,249	8,406	7,603	8,812
Utilities, fuels & services	2,391	2,277	2,647	2,607	2,284
Household operations	606	590	520	673	1,003
Housekeeping supplies	490	500	567	558	659
Household furnishings	1,506	1,531	1,590	1,582	2,217
Apparel & services	1,708	1,319	1,888	2,056	1,979
Transportation	6,815	7,271	6,233	7,162	8,847
Vehicle purchases (net outlay)	3,136	3,643	2,779	2,854	4,175
Gasoline & motor oil	1,036	1,022	928	1,054	1,172
Other vehicle expenses	2,230	2,140	1,958	2,835	2,891
Public transportation	413	466	568	419	610
Health care	1,931	2,050	1,951	1,701	2,262
Entertainment	1,844	1,676	1,771	2,123	2,498
Personal care products & services	405	270	429	532	526
Reading	160	182	151	178	247
Education	607	469	938	399	767
Tobacco products & smoking supplies	287	413	266	403	344
Miscellaneous	864	981	778	813	1,402
Cash contributions	1,145	1,085	1,248	676	1,454
Personal insurance & pensions	3,409	3,300	3,267	3,106	6,859
Life & other personal insurance	396	359	392	394	419
Pensions & Social Security	3,012	2,941	2,875	2,712	6,440